



1 April 2011

Bowleven plc ('Bowleven' or 'the Company')

### Vitol option update

Bowleven, the West Africa focused oil and gas exploration group listed on AIM, is pleased to announce that it has agreed an extension to the option agreement with Vitol E&P Limited (Vitol) in respect of the Etinde Permit (Etinde) in exchange for Vitol agreeing to fund 50 percent of a planned high specification seismic programme over the IE and IF fields.

Under the agreement, Vitol retains the option to acquire an additional 10 percent beneficial interest in block MLHP-7, Etinde, in return for funding an agreed \$50 million gross appraisal work programme. The option now expires on the earlier of (i) 1 month following delivery of the finalised dataset acquired under a planned 3D Four Component Ocean Bottom Cable (4C OBC) seismic programme over IE and IF and (ii) 31 March 2012, subject to the continuation of the exploration phase of the Etinde PSC. The option arrangement excludes blocks MLHP-5 and MLHP-6, Etinde, where the Sapele-1ST and Sapele-2 appraisal wells are currently being drilled. Bowleven will retain operatorship of all three blocks.

Bowleven and Vitol currently have participating interests of 75 percent and 25 percent respectively in the Etinde Permit. However, as part of the agreement for the revised option exercise period, Vitol will fund 50 percent of the planned 4C OBC seismic programme. Data acquisition is expected to commence in April 2011, subject to contract finalisation and SNH approval.

The opportunity for the 4C OBC survey has arisen due to an in-country seismic crew becoming available at short notice. This will enable the joint venture to acquire high specification seismic over IE and IF in a fast timescale and on economically attractive terms. The data is expected to provide enhanced imaging, with significant additional upfront benefits in planning appraisal activities and the possible facilitation of a fast track development on block MLHP-7. Final processed volumes are expected to be delivered Q3/Q4 2011.

The new option arrangement with Vitol also recognises the requirement for further technical work to be completed prior to programming firm future appraisal and development activity for the IE and IF field areas. In this regard, work is continuing to integrate the results of the IE-3 appraisal well, including developing a dynamic reservoir model over IE, and in evaluating the 3D seismic acquired over the IF field area during 2010. Vitol have been actively involved in these joint venture activities.

With the exception of the agreed 50:50 sharing of the 4C OBC costs, each party continues to fund activities on the Permit in accordance with its participating interest. In the event of option exercise, Bowleven's beneficial interest in block MLHP-7 would be 65 percent with effect from the date of exercise, with its beneficial interest in blocks MLHP-5 and MLHP-6 remaining at 75 percent. All interests are expressed prior to the exercise of any state back-in rights.

**Kevin Hart, Chief Executive of Bowleven commented:**

“This is an excellent opportunity to acquire high quality seismic as we progress towards our objective of converting resources to reserves. The new 4C OBC seismic over the IE and IF fields at this stage will augment ongoing appraisal activities and potentially assist a fast track development on the block.”

**ENQUIRIES**

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## **Notes to Editors:**

Bowleven is a West Africa focused oil and gas exploration group, based in Edinburgh and traded on AIM since 2004. Bowleven's strategy is focused on creating and realising material value through exploration led organic growth.

Bowleven holds equity interests in 7 blocks in Cameroon and Gabon, with 4 blocks located offshore in shallow water, and 3 onshore, with 6 of these blocks operated by Bowleven. The Etinde Permit (Bowleven 75%; Vitol 25%) comprises approximately 2,316 km<sup>2</sup> of exploration acreage located across the Rio del Rey and Douala Basins. There is an extensive multi-well exploration and appraisal drilling programme ongoing on the Etinde Permit during 2011.

Bowleven's overall P50 contingent resource base is 213 mmbob (net).

## **GLOSSARY OF TERMS:**

The following are the main terms and abbreviations used in this announcement:

AIM	Alternative Investment Market
Bowleven	Bowleven plc and/or its subsidiaries as appropriate
Etinde Permit	the production sharing contract between the Republic of Cameroon and EurOil (an indirectly wholly-owned subsidiary of the company) dated 22 December 2008 in respect of the area of approximately 2,316 km <sup>2</sup> , comprising Block MLHP-5, Block MLHP-6 and Block MLHP-7, offshore Cameroon or, as the context may require, the contract area to which this production sharing contract relates
IE	the Isongo E field area, block MLHP-7
IF	the Isongo F field area, block MLHP-7
PSC	production sharing contract
SNH	Société Nationale des Hydrocarbures, the national oil and gas company of Cameroon
3D	three dimensional